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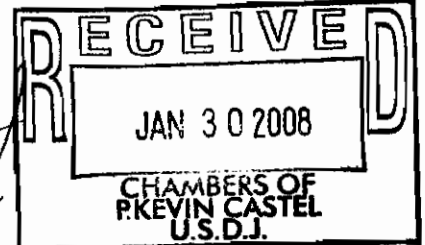
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MEMO ENDORSED

BY HAND

Hon. P. Kevin Castel, U.S.D.J.
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

January 30, 2008



Re: **In re Tarragon Corporation Securities
Litigation., Case No. 07 Civ 7972 (PKC)**

Dear Judge Castel:

This firm represents defendants Tarragon Corporation ("Tarragon"), William S. Friedman, Robert P. Rothenberg, Erin Davis Pickens, and Beachwold, L.P. (collectively, "the Tarragon Defendants") in the above-referenced action.

With the consent of Plaintiff's counsel, we write pursuant to Rule 1.E. of your Honor's Individual Rules of Practice to request that the Initial Pretrial Conference currently scheduled for February 8, 2008 be postponed. This is the Tarragon Defendants' second request to adjourn the Initial Pretrial Conference. The Court granted our first such request on November 9, 2007.

This putative securities class action alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The Amended Class Action Complaint, filed on January 18, 2008, asserts claims against the Tarragon Defendants, as well as Grant Thornton LLP (Tarragon's outside auditor).¹ The Tarragon Defendants intend to move to dismiss the complaint. Pursuant to a Stipulation and Order entered by the Court on November 15, 2007, the Tarragon Defendants' motion to dismiss is not due until March 3, 2008, after which Lead Plaintiff will have until April 17, 2008 to file an opposition to the motion. Pursuant to the

¹ Lead Plaintiff's initial complaint did not name Grant Thornton LLP as a defendant and, as of the date of this letter, Grant Thornton LLP has not yet been served with the amended complaint.


Court's November 15, 2007 Order, the Tarragon Defendants will then have until May 19, 2008 to file reply papers.

Under the Private Securities Litigation Reform Act, discovery will be stayed during the pendency of the motion to dismiss. See 15 U.S.C. §78u-4(b)(3). Because discovery will be stayed during the pendency of the motion, we believe that having the Initial Pretrial Conference and drafting a Case Management Plan would be premature at this point.

We also believe that adjourning the Initial Pretrial Conference makes sense in light of the fact that defendant Grant Thornton LLP has not yet been served with the complaint.

We have conferred with Lead Plaintiff's counsel and they do not oppose postponing the February 8th conference.

Respectfully,

 /DAM

Eliot Lauer

cc: Jeffrey Abraham, Esq. (via email)